

Message Text

LIMITED OFFICIAL USE

PAGE 01 CANBER 03039 021007Z

ACTION EA-09

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-07 NSC-05
EPG-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03
LAB-04 SIL-01 PA-01 PRS-01 /080 W
-----021010Z 091626 /21

R 020710Z APR 77

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 316

INFO AMCONSUL MELBOURNE

AMCONSUL SYDNEY

AMEMBASSY TOKYO

AMEMBASSY WELLINGTON

AMCONSUL BRISBANE

AMCONSUL PERTH

LIMITED OFFICIAL USE CANBERRA 3039

E.O. 11652: N/A

TAGS: EALR, ECON, EIND, ELAB, AS

SUBJECT: GENERAL MOTORS - HOLDEN'S (GM-H) ANNOUNCES INTENTION

GIVE MOST EMPLOYEES FORCED WEEK'S VACATION

REF: 75 CANBERRA 628 (DTG 290906Z75)

1. WITH WHAT MUST HAVE BROUGHT ABOUT A SENSE OF DEJA VU
IN MINDS OF MANY, GM-H ON FRIDAY, APRIL 29, ANNOUNCED -
WITHOUT PREVIOUS CONSULTATIONS WITH GOVERNMENT OR UNIONS -
THAT IT WILL STOP PRODUCTION OF CARS AND COMMERCIAL
VEHICLES FOR A WEEK NEXT MONTH TO HELP OVERCOME GROWING
STOCKPILE OF CARS AND COMPONENTS. AFFECTED EMPLOYEES
ASKED TAKE WEEK'S PAID LEAVE IN ADVANCE OF NORMAL
VACATION TIME DURING DECEMBER-JANUARY SUMMER PERIOD.
GM-H STATED THAT ONLY ALTERNATIVE WAS RETRENCHMENT OF
SIGNIFICANT NUMBER OF EMPLOYEES.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CANBER 03039 021007Z

WM MORE THAN 20,000 PRODUCTION WORKERS WERE ADVISED
OF SHUTDOWN IN NOTICES PINNED TO STAFF NOTICE BOARDS
AT FOUR MAIN PLANTS--FISHERMAN'S BEND, MELBOURNE;
ELIZABETH, SOUTH AUSTRALIA; PACEWOOD, SYDNEY; AND
ACADIA RIDGE, BRISBANE.

3. COMPANY STATEMENT READ QTE ALL POSSIBLE ATTEMPTS HAVE BEEN MADE TO MINIMIZE PLANT STOCKS THROUGH SUCH ACTIVITIES AS NON-REPLACEMENT OF EMPLOYEES LEAVING AS A RESULT OF NORMAL ATTRITION, MINIMAL OVERTIME AND ENCOURAGEMENT OF EMPLOYEES TO TAKE LONG SERVICE LEAVE.

4. QTE THE SUDDEN SHARP DROP THE MARKET HAS LEFT THE COMPANY WITH UNECONOMICALLY HIGH STOCKS OF FINISHED VEHICLES AND COMPONENTS IN HAND.

5. QTE AS A RESULT THE COMPANY IS SEEKING THROUGH UNION OFFICIALS THE COOPERATION OF PRODUCTION EMPLOYEES AND PRODUCTION RELATED EMPLOYEES TO TAKE ONE WEEK OF THEIR 1977 ANNUAL LEAVE ENTITLEMENT IN ADVANCE.

6. QTE THE DATES WHEN THIS SHOULD BE TAKEN ARE TO COINCIDE WITH SCHOOL HOLIDAYS IN ALL STATES (MAY).

7. QTE THE COMPANY REGRETS THAT THIS ACTION IS NECESSARY BUT IT MUST BE STRESSED THAT THE ONLY ALTERNATIVE IS THE RETRENCHMENT OF A SIGNIFICANT NUMBER OF EMPLOYEES. END QTE

8. MOVE BY GM-H SEEMS CLEARLY TO HAVE BEEN TAKEN WITHOUT PREVIOUS CONSULTATION WITH GOVERNMENT OR UNIONS. MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS STREET STATED THAT IT QTE VERY REGRETTABLE AND VERY DISTURBING END QTE THAT MOVE TAKEN WITHOUT PRIOR CONSULTATION. NSW SECRETARY OF VEHICLE BUILDERS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CANBER 03039 021007Z

EMPLOYEES FEDERATION, JOE THOMPSON, ATTACKED GM-H MOVE: QTE THE COMPANY STAND CONDEMNED IN THE STRONGEST POSSIBLE WAY. IF IT GETS AWAY WITH IT THEY WILL SET A TREND IN AUSTRALIA FOR STAND-DOWNS EVERYWHERE, WITHOUT PAY. END QTE. MASS MEETINGS OR WORKERS NEXT WEEK WILL DECIDE WHAT ACTIONS MIGHT BE TAKEN.

9. COMMENT: GM-H'S ACTION WITHOUT PRIOR CONSULTATION WITH GOVERNMENT IS REMINISCENT OF TACTICS EMPLOYED IN LATE 1974 WHEN IT STATED IT WOULD BE FORCED TO RETRENCH SOME 5,000 EMPLOYEES UNLESS GOVERNMENT IMPOSED QUOTAS SUFFICIENT RESTRICT IMPORTS TO TEN PERCENT OF MARKET AND LOWER SALES TAXES IN ORDER BOOST SALES. DESPITE SOME HARSH LANGUAGE AGAINST GM-H BY THEN PM WHITLAM, LABOR GOVERNMENT SUBSEQUENTLY PARTIALLY BUCKLED AND ANNOUNCED TEMPORARY REDUCTION IN SALES TAX FROM 27.5 PERCENT TO 15 PERCENT, IMPOSED IMPORT QUOTAS AT 20 PERCENT LEVEL AND REPEALED TAX FOR EMPLOYEES PRIVATE USE OF COMPANY CARS. IN RETURN COMPANIES PROMISED NOT

TO LAY OFF WORKERS FOR AT LEAST 30 TO 90 DAYS (REFTEL).

10. ALTHOUGH GM-H HAS NOT AS YET MADE SIMILAR
SUGGESTIONS RE TAX RELIEF AND QUOTAS, SOME EDITORIAL
COMMENT HAS EXPRESSED OPINION THAT THIS MIGHT WELL BE
COMPANY'S INTENTION.

11. WHATEVER ITS INTENTIONS, GM-H HAS ACTED IN MANNER
THAT MANY INCLINED SEE AS BEING IN FULL CHARACGTER AS
ARROGANT, MULTINATIONAL WHICH TAKES NO CONSIDERATION
OF PROBLEMS AND SENSITIVITIES OF AUSTRALIA. FROM PR
POINT OF VIEW COMPANY'S HANDLING OF AFFAIR LEAVES
MUCH TO BE DESIRED. PERCIVAL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: UNEMPLOYMENT, POLICIES, PERSONNEL, MOTORS, AUTOMOBILES, INDUSTRIAL PLANTS, IMPORT QUOTAS, ECONOMIC PROGRAMS, LABOR UNIONS, BUSINESS FIRMS, PRODUCTION CONTROLS
Control Number: n/a
Copy: SINGLE
Sent Date: 02-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CANBER03039
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770229-0243, D770152-1145
Format: TEL
From: CANBERRA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770496/aaaadfom.tel
Line Count: 129
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0e8b8bab-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 CANBERRA 628
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 26-Aug-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2921364
Secure: OPEN
Status: NATIVE
Subject: GENERAL MOTORS - HOLDEN'S (GM-H) ANNOUNCES INTENTION GIVE MOST EMPLOYEES FORCED WEEK'S VACATION
TAGS: EALR, ECON, EIND, ELAB, AS, GENERAL MOTORS
To: STATE
Type: TE
vdkgvkey: odb://SAS/SAS.dbo.SAS_Docs/0e8b8bab-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009